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SUBJECT: RUMORS OF DEVELOPMENT SHAKE CYPRUS'S KARPASS

REF: 06 NICOSIA 2051

¶1. (U) Summary: The pristine Karpass peninsula, the long finger of land stretching northeast "like a dagger toward the heart of Anatolia," has dominated north Cyprus newscasts nightly this summer. A sleepy corner of the island known more for its turtle hatcheries and unbroken surf, Karpass has hijacked the headlines over two matters: the extension of high-voltage electrical lines to the undeveloped extreme tip of the peninsula, and the destruction of Greek Cypriot-owned houses in its largest town, Rizokarpasso. Regarding electricity, an impromptu environmental coalition has coalesced to fight the project over fears that hotels, marinas and golf courses will follow the wires, destroying the peninsula's character forever. The coalition's odds of success seem miniscule, however. As to the bulldozing of the homes, many in falling-down condition, Greek Cypriot community representatives believe the move belies Turkish Cypriot authorities' true intent: to extinguish the G/C presence in Karpass permanently, and to open the area for further settlement and development. End Summary.

THE KARPASS: CYPRUS'S PRISTINE PANHANDLE

¶2. (U) The Karpass peninsula is a largely undeveloped region of hilly scrubland and gorgeous coastline. It is home to a variety of plant and animal species -- a handful of which are found only in the Karpass -- and is one of the few nesting grounds of endangered loggerhead and green sea turtles. The peninsula's population is 8,000, of whom roughly 400 are enclaved Greek Cypriots (Reftel). Apart from the region's two main towns of Yialousa (Yeni Erenkoy in Turkish) and Rizokarpasso (Dipkarpaz), the inhabitants live in a scattering of small villages. The stark beauty of the area combined with its historical sites and beaches makes the Karpass a common, if remote, vacation destination for both Greek and Turkish Cypriots from throughout the island and for Europeans -- and a few Americans -- looking to partake in alternative ecotourism.

"POWER" STRUGGLE EMERGES

¶3. (U) Launching the Karpass into the headlines this summer was the announcement of a "TRNC" plan to bring electricity to the extreme tip of the peninsula. Electric lines currently end at Rizokarpasso, leaving the last 15 miles without power. The scattering of 50-odd locals and less than a dozen hotels and restaurants either rely on generators and solar panels for power, or do without. Located in this unserved area is the Apostolos Andreas Monastery, a pilgrimage site which many

Greek Orthodox consider the island's holiest.

14. (U) The announcement of the electrical transmission plan was greeted with protests by environmental groups and left-wing political parties skeptical of the "government's" motives. The groups claimed that the extension of the power grid beyond Rizokarpasso would mar the natural beauty of the peninsula and endanger the environment, particularly the rare and unique species living there. Further, the opposition groups argued the "government" plan was not just unwise, but illegal: the tip of the peninsula was designated a park area in 1978 and the "government" had declared it a "specially protected area" in 2007, ostensibly to prevent its development. Undaunted, the "government" forged ahead and began to erect poles on August 12, with "Prime Minister" Ferdi Soyer declaring that electricity does not equal development, noting that other protected sites in the "TRNC," such as the ruins of Salamis and Kyrenia Castle, have electricity yet are protected from commercial development. The "government" estimates that the Karpass could be fully electrified by the end of the year and that a law specifically preventing commercial development of the area would be passed in the near future. In response, the environmental groups applied to the "TRNC" courts for an injunction to halt the project; the hearing has been delayed two times, and now is scheduled for September 10. Court "officials" attribute the delay to the need to allow the contracting company and the "government" to argue their position; according to the environmentalists, however, the real reason is to allow enough time for workers to finish putting up poles, creating a fait accompli.

A NEW "VEGAS ON THE SHORE?"

15. (SBU) One of the most vocal opponents of the electricity extension is Dogan Sahir, the chairman of the Green Peace Movement (Yesil Baris Hareketi, not to be confused with the global ecological organization Greenpeace). He shared his misgivings with us in a meeting August 6. Sahir conceded it was not electricity itself that was objectionable; certainly the Karpass population deserved grid access just like any other public infrastructure service. His concern was that electricity was merely the first step to irresponsible development of Cyprus's last natural refuge. Sahir questioned the "government's" motives, claiming the electrical capacity of the new project was far greater than was needed to provide electricity to those houses and businesses in the Karpass that did not already have it, and that solar power panels could fill the demand at lesser cost. He concluded the "government" intended to open areas of the peninsula to large-scale development, drawing a comparison with the tacky hotel/casino-fueled sprawl of Kyrenia (Girne) and the kitsch monstrosity of the Artemis Hotel in Vogolidha (Bafra).

16. (U) Unregulated development would turn the pristine Karpass into a sprawling chain of hotels, casinos, marinas, golf courses, and villas, complete with the attendant infrastructure -- roads, gas stations, apartment blocks, hospitals, schools, shopping areas -- to support it. In such a scenario, the peninsula's unique cultural and ecological assets would be severely damaged, if not obliterated. Sahir had obtained a proposal presented to the "Prime Ministry" and the "Tourism Ministry" by a South African development company envisioning such a complex, to be named "Romeo Bay Golf and Marina Resort" (the proposal is now posted on the internet at www.karpasia.com). Although unclear whether the proposal is under serious consideration, Sahir claimed it proved there was interest in developing the Karpass. He doubted the "government" could keep those interests at bay.

17. (SBU) In response to the allegations of the environmentalist groups, "Government" officials, including "President" Talat, his closest advisors, and the "mayor" of Rizokarpasso, Mehmet Demirci, repeatedly have claimed the augmentation of the electrical grid in Karpass was designed solely to bring power to villages that currently relied on

generators for electricity, and to supplement the power supply to Rizokarpasso, which is subject to brown-outs and power cuts when demand peaks. Demirci told us August 14 that his "constituents" overwhelmingly supported the electricity project. They feel they have lagged behind the rest of the "TRNC" economically, and that the electric lines would help increase their standard of living. Development would also help stem the outflow of educated youth to the cities. Demirci bristled at the suggestion his "constituents" were unaware of the environmental risk to their region, saying no one in Cyprus wanted to conserve the beauty of the Karpass more than the people who lived there, and who would not accept the kind of development the environmentalists feared. The project would bring electricity to those who needed it, and the excess capacity would only be sufficient to support a handful of new small hotels and restaurants.

REPERCUSSIONS NOT ONLY ENVIRONMENTAL

18. (SBU) Izzet Izcan, head of the communist United Cyprus Party and a former member of "Parliament", decried the plan for political reasons. In addition to harming the environment, Izcan reasoned, extending electricity the full length of the Karpass might make negotiating a final Cyprus settlement even more difficult. Certain versions of the Annan Plan reunification effort would have demanded the "Turkish Cypriot Constituent State" hand over administration of parts of the Karpass to the Greek Cypriots, he related. As difficult as that was for Turkish Cypriots to accept in 2004, it would be even harder if the current and future "governments" succeed in wiring the peninsula, building additional infrastructure, and attracting significant foreign investment. The "mayor" of Rizokarpasso was sanguine on this point, arguing it was irresponsible for the "government" to neglect the needs of its citizens in anticipation of an ever-elusive CyProb solution.

ENCLAVED GREEK CYPRIOTSS PROTEST KNOCKDOWN POLICY

19. (SBU) Accompanying the electrification controversy lurked accusations by Greek Cypriot contacts that the "TRNC" was illegally demolishing Greek Cypriot-owned buildings in Rizokarpasso, home to the largest group of enclaved G/Cs. Six members of the Karpass Coordinating Committee, an "exile" organization, told us August 10 that Turkish soldiers in

April/May had marked a number of vacant Greek-owned properties in Rizokarpasso for demolition and tore them down sometime later. The Committee complained that, while some were old and perhaps unsafe, most were in good condition despite being unoccupied since 1974. Some were also of historical value, such as an old flour mill. Members claimed that G/C property owners were afraid to file complaints or ask the "TRNC" for compensation over fears of reprisal. In their minds, the concurrence of the destruction of Greek houses with the electrification project was no coincidence; the "government" was tearing down unoccupied Greek houses in Rizokarpasso to make way for massive development projects, made possible by the influx of electricity.

110. (SBU) Of similar mind was Andreas Tanis, a former Karpass "mukhtar" (village elder). Tanis lamented the loss of the houses, claiming the Turks were already building new housing for Turkish settlers on the now-empty land (Note: During an August visit, Embassy staff saw a handful of recently destroyed buildings, but did not see evidence of new construction on those sites). He also claimed that, although all the houses were unoccupied, several were owned by Greek Cypriots still living on the peninsula who had inherited them from the now-deceased residents, meaning they could have been restored and utilized by enclaved G/Cs.

111. (SBU) Tanis's vision of the future for Karpass Greek Cypriots was grim. With young G/Cs leaving the peninsula after high school for better opportunities in the south, the

average age of G/C residents was increasing every year. "The Turks are waiting for us to die," he claimed, after which the "TRNC" would take over their land to hand over to Turkish settler families. Even the prospect of electricity could not brighten his vision of the future; yes, electricity would make life easier for Greek and Turk alike and would help to make visits to the Monastery easier, but the economic benefits would not be sufficient to stop the population decline and thus would serve only Turkish interests in the long run. When asked what could make the future of Karpass Greek Cypriots better, he insisted that all G/C land needed to be restored to its rightful owners, that all settlers from mainland Turkey be removed from the Karpass (and preferably sent back to Turkey), and all Orthodox religious sites be restored.

¶12. (SBU) Conversely, Turkish Cypriot "Mayor" Demirci defended the demolitions. He claimed all the structures were decrepit safety hazards, despite many looking sound from the outside. Evincing obvious frustration over relations between the communities, he related how Karpass Greeks overwhelmingly had opposed the Annan settlement, despite the fact the arrangement would have returned all Turkish-occupied territories in Karpass to their pre-1974 owners. How could T/Cs help or even work constructively with people who insisted, without room for compromise, that everything had been frozen in time since 1974? he questioned.

COMMENT

¶13. (SBU) The corruption and near-sightedness that plague the Turkish Cypriot-administered area's political system and economy make us doubt the "government" can resist the bulldozers' advance into far-off, beautiful Karpass. Once the wires are up and working, property values there will increase. With increased property values, the citizens of the Karpass -- whom "mayor" Demirci claims care deeply about their environment -- may find the prospect of developers offering top dollar for their land irresistible. Despite the best intentions of the "government," enforcement of development laws is weak enough that rogue "ministers" or politicians could be convinced with large enough bribes to open the Karpass to developers on the sly. Eyesores already abound on the road to the peninsula -- either in the form of cheap, ugly pastel-tinted housing developments ill-suited to Cyprus's terrain or traditional architecture, half-built husks of abandoned construction projects, or the aforementioned Artemis behemoth -- and the threat that similar structures could continue their creep up the coast is disheartening. Further, the "government" is not winning itself any allies with its heavy-handed ways, such as continuing to plant poles despite the active drive for an injunction. It is entirely possible that the poles will be fully erected before the September 10 hearing, in which case the environmentalists will no doubt accuse the court of deliberate delay.

¶14. (SBU) In stark contrast to the noisy environmentalists and equally strident "government" spokesmen, there has been conspicuous silence on the part of the investors purportedly interested in developing the Karpass, making them hard to identify. Rumors and allegations abound, pointing to the same international developers who have invested heavily in Kyrenia: businessmen from Turkey, Russia, western Europe and Israel (one enclaved Greek Cypriot told us an Israeli company had offered him five million Cyprus pounds (nearly \$12 million) for his coastal property; he was holding out for more, figuring that the arrival of electricity would increase his land's value). Statements of support for economic development of the peninsula from leaders of Turkey's governing AKP -- Prime Minister Erdogan once announced his hope that Karpass become a tourist magnet like Ayia Napa in the south, Karpass Committee members claimed -- suggest that politically-connected investors and/or contractors are lobbying hard in Ankara and Istanbul. Worse, the prospect of a property stampede in territory notorious for weak regulations and poor enforcement is a clear invitation to

organized crime syndicates and money launderers.

¶15. (SBU) We have no evidence the destruction of Greek Cypriot-owned homes in Rizokarpasso is linked to the electrical project or to any eventual plans for development, as the Committee members alleged. The demolitions do underscore the continued mistrust between the peninsula's ethnic Greeks and Turks who, despite living in close confines, live rather separate lives.
SCHLICHER